



DEPARTMENT OF THE NAVY
U.S. FLEET AND INDUSTRIAL SUPPLY CENTER
(YOKOSUKA, JAPAN)
PSC 473 BOX 11
FPO AP 96349-1500

7120
Ser 46/ **0314**
14 SEP 2001

From: Commanding Office, U.S. Fleet and Industrial Supply
Center, Yokosuks

To: Commanding Officer, U.S. Naval Air Facility, Atsugi

Subj: FY02 REIMBURSABLE UADPS COSTS FOR PARTNER SITES

Ref: (a) Memorandum of Agreement between FISC and Partner site

Encl: (1) FY02-U2 Billing Estimates for NAF Atsugi

1. Enclosure (1) provides the estimated reimbursable Uniform Automated Data Processing System (UADPS) processing charges for your partner activity.
2. These costs were calculated against a fair share percentage of the IBM and Tandem costs assessed to FISC for operation of UADPS in the Japan region. The total number of demands and receipts shown on the 1144 report for your activity over the last 12 months, as a percentage of the regional total, was used to determine your fair share.
3. Based upon user counts and Naval Supply Systems Command guidance, the TANDEM cost portion of the reimbursable expense has been significantly reduced for FY02, and the reduction is reflected in the FY02 total change.
4. Prior to 30 September 2001, please supply a Letter of Intent Order in advance of the NAVCOMPT Form 2275 that we need from your activity at the onset of FY02 to cover first quarter costs.
5. Our points of contact are my Comptroller LCDR Michael Stiglitz, 243-6192, and my Information Technology Director Mr. Bill Tydingco, 243-5146.

D. R. SMOAK



DEPARTMENT OF THE NAVY
U.S. FLEET AND INDUSTRIAL SUPPLY CENTER
(YOKOSUKA, JAPAN)
PSC 473 BOX 11
FPO AP 96349-1500

5200

Ser 46/0326

09 APR 1997

From: Commanding Officer, U.S. Fleet and Industrial Supply
Center, Yokosuka, Japan

To: Commander, Naval Supply Systems Command (SUP42)

Subj: BUSINESS CASE ANALYSIS (BCA) OF U-2 PARTNERSHIPS
BETWEEN FISC YOKOSUKA AND WESTPAC NAVAL AIR FACILITIES

Ref: (a) NAVSUP ltr 5200 Ser 4263A/065 of 12 MAR 97

Encl: (1) BCA for Management of Retail Inventory at Naval Air
Facility Atsugi
(2) BCA for Management of Retail Inventory at Naval Air
Facility Misawa
(3) MOA Between FISC Yokosuka and Naval Air Facility
Atsugi
(4) MOA Between FISC Yokosuka and Naval Air Facility
Misawa

1. As requested in reference (a), enclosures (1) and (2) have
been revised and are forwarded along with enclosures (3) and
(4).


R. L. MILLIGAN



DEPARTMENT OF THE NAVY
U.S. FLEET AND INDUSTRIAL SUPPLY CENTER
(YOKOSUKA, JAPAN)
PSC 473 BOX 11
FPO AP 96349-1500

5200
Ser 54/1018
0.2 JUN 1997

From: Commanding Officer, U. S. Fleet and Industrial Supply Center, Yokosuka, Japan

To: Commander, Navy Supply Systems Command (SUP 01)

Via: (1) Commanding Officer, U.S. Naval Air Facility, Atsugi
(2) Commander-in-Chief, U.S. Pacific Fleet (U8212)

Subj: FUNCTIONAL TRANSFER OF NAVAL AIR FACILITY ATSUGI INVENTORY MANAGEMENT WORKLOAD TO FLEET AND INDUSTRIAL SUPPLY CENTER YOKOSUKA

Ref: (a) Memorandum of Agreement between FISC Yokosuka and NAF Atsugi of 3 Mar 1997.
(b) NAF Atsugi Itr 7000 Ser 019/7063 of 10 Mar 1997
(c) USFJ Policy Letter 40-4 of 22 Nov 1995

Encl: (1) Functional Transfer (NC-4) Exhibit

1. By reference (a), U.S. Naval Air Facility (NAF) Atsugi and U.S. Fleet and Industrial Supply Center (FISC) Yokosuka agreed to transfer the NAF Atsugi inventory management functions to FISC Yokosuka effective 1 April 1997. Request that three Foreign National Indirect Hire (FNIH) end strength and overseas workyears be transferred from Commander-in-Chief, U.S. Pacific Fleet (CINCPACFLT) to Naval Supply Systems Command (NAVSUP) to effect this agreement. Based on the 1 April effective date, there is two FNIH Full-Time Equivalent (FTE) associated with this transfer for FY 1997, increasing to three FTE in the outyears.

2. By reference (b), Commander Naval Forces Japan (COMNAVFORJAPAN) (NOLP) has been notified of the transferring mission/function and the three FNIH spaces to be transferred to FISC Yokosuka. Per reference (c), COMNAVFORJAPAN will compute the amount of Labor Cost Sharing funds associated with the transferring FNIH spaces, and will advise the gaining and losing activities in writing.

3. Point of contact are Mr. Fred Dillion, NAF Atsugi, DSN 243-6981 and Mr. Louis Schleuger, Deputy, Resources Management Department, FISC Yokosuka, DSN 243-6014.

L. V. Heckelman
L. V. HECKELMAN
By direction



DEPARTMENT OF THE NAVY
U.S. FLEET AND INDUSTRIAL SUPPLY CENTER
(YOKOSUKA, JAPAN)
PSC 473 BOX 11
FPO AP 96349-1500

4400
Ser 46.1/0468
12 AUG 1996

From: Commanding Officer, U. S. Fleet and Industrial Supply
Center, Yokosuka, Japan
To: Commander, Naval Supply Systems Command (Code N4261)
Subj: BUSINESS CASE ANALYSIS (BCA) OF U-2 PARTNERSHIP
BETWEEN FISC YOKOSUKA AND WESTPAC NAVAL AIR
FACILITIES

Encl: (1) BCA for Management of Retail Inventory at Naval
Air Facility Atsugi
(2) BCA for Management of Retail Inventory at Naval
Air Facility Misawa

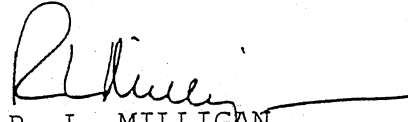
1. Enclosures (1) and (2) are forwarded recommending approval.

2. Partnerships with Naval Air Facility (NAF) Atsugi and Misawa offer substantial benefits for all activities. The partnerships will eliminate the use of the antiquated DOSS system in the Western Pacific and the need for an otherwise costly conversion of WESTPAC DOSS activities when the Yokosuka mainframe workload migrates to Defense Mega Center San Diego in Summer 1997. The savings from this "conversion avoidance", while not included in these BCAs, are substantial. As a result of partnering with these NAFs, FISC Yokosuka will achieve regional asset visibility for all aviation supply sites on mainland Japan. By allowing stock material to be positioned closer to the point of consumption, we will reduce average customer wait time (ACWT), particularly for IPG II and III materials. We also expect this strategy will reduce the number of critical NMCS/PMCS requirements.

3. Mainframe processing cost allocations remain unresolved. Request NAVSUP review and provide guidance to ensure that billing agreements are equitable and consistent with similar agreements between NAVSUP and other AIRPAC activities.

Ser 46.1 /0468
12 AUG 1996

4. Memoranda of understanding are being jointly developed with these activities, and will be forwarded under separate cover for your review.


R. L. MILLIGAN

COPY TO: COMFAIRWESTPAC (N41)

BUSINESS CASE ANALYSIS
FOR MANAGEMENT OF RETAIL INVENTORY
AT NAVAL AIR FACILITY ATSUGI

1. INTRODUCTION

1.1 Purpose: This report is a business case analysis (BCA) of a proposal to establish a partnership between the Naval Air Facility Atsugi (NAF Atsugi) and the U. S. Fleet and Industrial Supply Center Yokosuka (FISC Yokosuka) for management of retail inventory.

1.2 Background: Many studies and efforts have taken place throughout the Navy to identify methods for improving the efficiency of operations - maintaining or increasing quality, while decreasing costs. Supply support was identified as an area in which efforts and inventory were being duplicated by various commands. Changes in the logistics infrastructure, through the role of FISCs as the provider for consumer level inventory management have been identified as a means to improve performance. The tool identified to achieve the above goal is the Uniform Automated Data Processing System Version 2 (UADPS-2).

The mission of the U. S. Fleet and Industrial Supply Center, Yokosuka, Japan (FISC Yokosuka) is to provide supplies and services to forces forward deployed or permanently stationed in the Western Pacific. FISC Yokosuka manages and stocks a wide range of material using UADPS-2 supply management programs.

The Supply Department of Naval Air Facility Atsugi, Japan (NAF Atsugi) primarily provides logistical support to the Air Facility, LAMPS/VERTREP ships and associated aviation squadrons and detachments, and other Atsugi/Kamiseya area customers. Inventories at NAF Atsugi are resupplied by FISC Yokosuka, which is the point of entry for NAF Atsugi requisitions. Inventory management in Atsugi is performed under the UADPS-SP Disk Oriented Supply System (DOSS), which does not provide real-time, automated, database management or inventory visibility at the FISC, or regional level.

1.3 Concept of Operations: Under the proposed partnership, a UADPS-2 site would be established at NAF Atsugi; replacing the stocks currently held by NAF Atsugi, as well as eliminating the current DOSS system. Stock material would be owned and managed by FISC Yokosuka, while all storage and warehousing functions would be performed by

NAF Atsugi, in accordance with a Memorandum of Understanding (MOU) to be developed for implementing this partnership. Inventories held at Atsugi would comprise one site within FISC's regional system.

1.4 Scope: This proposal specifically addresses the management and storage of retail inventories held at NAF Atsugi, and specifically excludes fuel, and HAZMIN operations.

1.5 Objective: The objective of this BCA is to quantify the expected efficiencies and economies to be achieved through the regional management of retail stock.

1.6 Assumptions and Constraints: Results of this BCA are based on the following assumptions and constraints:

- a. Inventory to be positioned at NAF Atsugi will be based on fixed allowances, NSOs, and demands from customers in the Atsugi area.
- b. UADPS-2 will be the inventory management system utilized by FISC Yokosuka and partner sites.
- c. The U2 NAS Requirements release will be implemented prior to establishing the partnership. This release is required to allow U2 management of NAF W and L purpose repairable assets.
- d. Specific commodities of material (e.g., classified, medical, gases and cylinders, hazardous, etc.) may be excluded from site positioning.

2. FUNCTIONAL REQUIREMENTS

2.1 Overview

2.1.1 Current Operations: NAF Atsugi currently maintains end use stock to support maintenance and aviation requirements from LAMPS/VERTREP ship squadrons and detachments, AIMD, and other NAF tenant commands. All stock records are maintained by NAF Atsugi, and FISC has no visibility of inventory under current operations. As of April 1996, approximately 25,969 line items valued at \$ 76.9 million dollars are carried, either at NAF Atsugi or located in L purpose inventories aboard supported ships. Approximately 84% of these line items are common to FISC Yokosuka's inventory.

NAF Atsugi currently operates under the UADPS-SP Disk Oriented Supply System (DOSS) program for inventory management. NAF Atsugi requirements which cannot be filled are forwarded to FISC Yokosuka. Issues made by FISC Yokosuka are delivered to NAF Atsugi via commercial and military trucking.

2.1.2 Workload Data: (monthly avg.)

	Reqns	Issues	Receipts
NAF Atsugi	4232	2413	1591

	NAF Atsugi
Reqns rcvd by FISC	1819
FISC Issues	830

2.1.3 Performance Data:

Issues - At NAF Atsugi, all items are issued in accordance with the following:

Priority	Issue
01-09	Same day
10-15	Next day

Receipts - All items received and stowed within 2 days

2.2 Requirements:

2.2.1 NAF Atsugi: NAF Atsugi desires to increase the range and depth of stock carried, to allow better support and reduced Average Customer Wait Time (ACWT) for NAF customers, such as AIMD. Improved asset visibility and inventory management are additional benefits NAF Atsugi is seeking through a partnership with FISC Yokosuka.

2.2.2 FISC Yokosuka: A partnership with NAF Atsugi must provide asset visibility, be cost effective, and provide the same or better level of service to the customer.

3. FUNCTIONAL ANALYSIS

3.1 BCA Methodology: Data for this study were collected by teams of NAF Atsugi and FISC Yokosuka personnel. On-site visits were conducted to observe/discuss current business practices and processes, and to review existing records/reports. The "to be" proposal was developed from the analysis of the data collected. Costs for both the "as is" and the "to be" operations were based on information provided by NAF Atsugi and FISC Yokosuka personnel.

3.2 Baseline Cost Analysis:

3.2.1 Baseline Costs:

3.2.1.1 Civilian Personnel: Civilian personnel costs were calculated based on authorized positions (in the impacted areas) at representative pay rates. Personnel employed under the Master Labor Contract (MLC) are listed in terms of numbers of billets, as their salaries are paid by the Government of Japan.

AUTHORIZED POSITION	PAY PLAN/ GRADE	TOTAL HOURLY RATE	TOTAL NO. OF HOURS	ANNUAL LABOR COST (\$\$)	ANNUAL LABOR COST (BILLETS)
NAT Atsugi					
Control Div. Supervisor (Ctrl Div)	MLC 1-7	\$ -	2080	\$ -	1
Data Control Clerk (Ctrl Div)	MLC 1-4	\$ -	2080	\$ -	1
Cust. Svc Clerk (Ctrl Div)	MLC 1-5	\$ -	2080	\$ -	1
Cust. Svc Clerk (Ctrl Div)	MLC 1-4	\$ -	4160	\$ -	2
Stock Control Clerk (Ctrl Div)	MLC 1-6	\$ -	2080	\$ -	1
Stock Control Clerk (Ctrl Div)	MLC 1-5	\$ -	6240	\$ -	3
Tech Lib Clerk (Ctrl Div)	MLC 1-6	\$ -	2080	\$ -	1
Tech Lib Clerk (Ctrl Div)	MLC 1-5	\$ -	2080	\$ -	1
Receipt Ctrl Clerk (Ctrl Div)	MLC 1-5	\$ -	2080	\$ -	1
Receipt Ctrl Clerk (Ctrl Div)	MLC 1-4	\$ -	6240	\$ -	3
Traffic Br. Supv (Phys Dis)	MLC 1-7	\$ -	2080	\$ -	1
Traffic Manager (Phys Dis)	MLC 1-6	\$ -	2080	\$ -	1
Admin Specialist (Phys Dis)	MLC 1-4	\$ -	2080	\$ -	1
Trans Specialist (Phys Dis)	MLC 1-5	\$ -	2080	\$ -	1
Receiving Section (Phys Dis)	MLC 1-5	\$ -	6240	\$ -	3
Shipping Section Supv (Phys Dis)	MLC 1-5	\$ -	2080	\$ -	1
Shipping Section (Phys Dis)	MLC 1-4	\$ -	8320	\$ -	4
Delivery Section Supv (Phys Dis)	MLC 2-8	\$ -	2080	\$ -	1
Delivery Section (Phys Dis)	MLC 2-6	\$ -	8320	\$ -	4
Packng & Pres. Sect Supv (Phys Dis)	MLC 2-7	\$ -	2080	\$ -	1
Packng & Pres Section (Phys Dis)	MLC 2-5	\$ -	10400	\$ -	5
Storage Sect Supv (Phys Dis)	MLC 2-6	\$ -	2080	\$ -	1
Storage Sect (Phys Dis)	MLC 1-5	\$ -	4160	\$ -	2
PW PEB (Phys Dis)	MLC 2-6	\$ -	2080	\$ -	1
Carcass Supv (ASD)	MLC 1-5	\$ -	2080	\$ -	1
Rep Mgmt Clerk (ASD)	MLC 1-4	\$ -	2080	\$ -	1

RMS/PEB Clerk (ASD)	MLC 1-4	\$ -	2080	\$ -	1
Stores Accntng Sect (Comptroller)	MLC 1-6	\$ -	2080	\$ -	1
Stores Accntng Sect (Comptroller)	MLC 1-5	\$ -	2080	\$ -	1
Stores Accntng Sect (Comptroller)	MLC 1-4	\$ -	2080	\$ -	1
Sub-Total NAF Atsugi				\$ -	48
FISC Yokosuka					
None	N/A	\$ -	0	\$ -	0
Sub-Total FISC Yokosuka				\$ -	0
TOTAL BASELINE CIVILIAN LABOR COSTS				\$ -	48

3.2.1.2 Military Personnel: Military labor costs were calculated using current billet assignments (to the impacted areas) and composite standard military rates.

AUTHORIZED POSITION	PAY PLAN/ GRADE	TOTAL HOURLY RATE	TOTAL NO. OF HOURS	ANNUAL LABOR COST
NAF Atsugi				
Control Div. LPO (Ctrl Div)	E-4	\$ 12.02	2080	\$ 25,002
Reqn Expediters (Ctrl Div)	E-4	\$ 12.02	4160	\$ 50,003
Imprest Fund Cashier (Ctrl Div)	E-4	\$ 12.02	2080	\$ 25,002
BOSS Co-ord. (Ctrl Div)	E-4	\$ 12.02	2080	\$ 25,002
Matl Div Officer (Phys Dis)	E-7	\$ 18.13	2080	\$ 37,710
Traffic Mgmt Ctrl Off. (Phys Dis)	E-7	\$ 18.13	2080	\$ 37,700
Storage Br. LPO (Phys Dis)	E-6	\$ 16.37	2080	\$ 34,050
Storage Storekeeper (Phys Dis)	E-5	\$ 14.62	4160	\$ 60,798
Salvage Yd. Storekeeper (Phys Dis)	E-5	\$ 14.62	2080	\$ 30,410
ASD LCPO (ASD)	E-7	\$ 18.13	2080	\$ 37,710
ASD LPO (ASD)	E-6	\$ 16.37	2080	\$ 34,050
Database Admin (ASD)	E-6	\$ 16.37	2080	\$ 34,050
Aviation Storekeepers (ASD)	E-6	\$ 16.37	6240	\$ 102,149
Aviation Storekeepers (ASD)	E-5	\$ 14.62	18720	\$ 273,686
Aviation Storekeepers (ASD)	E-4	\$ 12.02	12480	\$ 150,010
Sub-Total NAF Atsugi				\$ 957,330

FISC Yokosuka				
None	N/A	\$	-	\$ -
Sub-Total FISC Yokosuka				\$ -
				1
TOTAL BASELINE MILITARY LABOR COSTS				\$ 957,330

3.2.1.3 Material/Supplies: The cost of materials/supplies to support NAF Atsugi stock material is estimated at \$ 115,000.

3.2.1.4 ADP: ADP support for the DOSS system is provided by the Information Processing Center, Yokosuka (IPC). NAF Atsugi funds IPC for such support on a yearly basis. The annual cost of supporting the DOSS system is \$181,971.

3.2.2 Total Baseline Costs:

COST CATEGORY	ANNUAL COST	
	Dollars	Billets
Civilian Personnel	\$ -	48
Military Personnel	\$ 957,330	
Material/Supplies	\$ 115,000	
Minor Equipment	\$ -	
ADP	\$ 181,971	
TOTAL BASELINE COSTS	\$1,254,301	48

3.3 FISC Yokosuka Proposal Cost Analysis:

3.3.1 Concept of Operations: FISC Yokosuka proposes to establish a UADPS-2 regional site at NAF Atsugi. Material currently stocked and managed by NAF Atsugi Supply Department will be incorporated into this site. W and L purpose code assets will be included under the U2 umbrella with the implementation of the NAS Requirements system upgrade. NAF Atsugi will retain management of the W and L purpose code inventories, collect supporting maintenance data, perform SHORCAL reviews, and ensure that the established allowances on FISC's records are identical to those authorized by NAVICP-P. Under this proposal, A purpose code inventories held at NAF Atsugi will be owned and managed by FISC Yokosuka, and support the Atsugi regional customer base, including CVW-5 and NAPRA Atsugi. Positioning material at the regional site is intended to

improve customer response time, minimize the impact of transportation delays, and reduce the level of end-use material stocked by customers to accommodate order and delivery timeframes. In addition, UADPS-2 will provide FISC Yokosuka and all partners complete visibility of A condition assets stored at FISC Yokosuka and UADPS-2 partner sites.

3.3.1.1 Inventory Control: All standard inventory control functions (levels setting, site adds, range adds, management of allowance material, stock replenishment, management of due-in material, and excessing) will be performed by FISC Yokosuka personnel. UADPS-2 programs will automatically record and establish appropriate stocking levels for the NAF Atsugi site.

3.3.1.2 Storage and Warehousing: Stow, issue, and pack functions will be the responsibility of NAF Atsugi. Receipt of stock material and discrepancy reporting will also be accomplished by NAF Atsugi. Material to be stocked at the NAF Atsugi site will be forwarded by FISC Yokosuka as processed "inductions" and stowed by NAF Atsugi. NAF Atsugi will be required to maintain proof of delivery/receipt files for "A" purpose vulnerable and sensitive material (e.g. depot level repairables).

3.3.1.3. Physical Inventory: Since material positioned at NAF Atsugi will be on FISC Yokosuka accountable records, NAF Atsugi stock will be included in all FISC Yokosuka scheduled inventories. NAF Atsugi will perform all inventories within the prescribed inventory timeframes.

3.3.1.4 Customer Service: NAF Atsugi will gain on-line access to UADPS-2 for requisition processing and database inquiry. Under normal operations, exception processing will be performed by FISC Yokosuka. NAF Atsugi will have on-line access to data files, listings, and reports required to perform the complete customer service function for Atsugi customers, including the capability to process exceptions if required (such as in the case of a bearer walk-thru).

3.3.1.5 Financial Accounting: Material positioned at NAF Atsugi will be held under Special Accounting Class 200. Financial inventory accounting and reporting will be performed by FISC Yokosuka. NAF Atsugi will retain responsibility for processing receipts and expenditures for SERVMART stock (SAC 260A). Financial reconciliation functions will be the responsibility of FISC Yokosuka.

3.3.2 Projected Workload: As a UADPS-II partner site, projections of workload levels at NAF Atsugi were computed as follows:

	Reqs	Issues	Receipts
Current workload:	4232	2413	1591
Projected Workload			
Increase in issues to current customer base:		+ 830	- 510
Addition of work to support NAPRA Atsugi:	+462	+ 329	+ 110
Total Projected:	4694	3572	1191

3.3.3 Performance Standards:

Issues - Under the proposed concept of operations, stocking levels at NAF Atsugi will be driven by actual demands registered by the Atsugi area customers. By positioning material closer to the point of consumption, ACWT is projected to decline as follows, for issues from sites within Japan:

Priority	(- - - - Current - - - -)			(- Projected -)	
	Matl from NAF	Matl from FISC	As-Is ACWT (Total)	Matl from NAF Site	Net decline in ACWT
01-03	1 day	4.2 days	2.1 days	1 day	- 1.1 days
04-09	1 day	7.7 days	3.3 days	1 day	- 2.3 days
10-15	2 days	15.6 days	6.6 days	2 days	- 4.6 days

3.3.4 Projected Annual Costs:

3.3.4.1 Civilian Personnel: Projected civilian labor costs reflect the transfer of inventory management responsibilities for A purpose code stocks to FISC Yokosuka, and the establishment of a storefront activity at NAF Atsugi. In addition to these positions, NAF Atsugi will be required to employ an individual in the role of UADPS Supply Systems Analyst on a full time basis. The purpose is to address the absence of any Supply Systems Analysis and UADPS/U2 expertise at the activity level. This analyst position will provide be resident at NAF Atsugi, and will provide support to both NAF Atsugi and NAF Misawa.

AUTHORIZED POSITION	PAY PLAN/ GRADE	TOTAL HOURLY RATE	TOTAL NO. OF HOURS	ANNUAL LABOR COST (\$\$)	ANNUAL LABOR COST' (BILLETS)
NAF Atsugi					
Sup. Sys. Analyst	GS-12	\$38.46	1250	\$ 48,075	-
Control Div. Supervisor (Ctrl Div)	MLC 1-7	\$ -	2080	\$ -	1
Data Control Clerk (Ctrl Div)	MLC 1-4	\$ -	2080	\$ -	1
Cust. Svc Clerk (Ctrl Div)	MLC 1-5	\$ -	2080	\$ -	1
Cust. Svc Clerk (Ctrl Div)	MLC 1-4	\$ -	4160	\$ -	2
Tech Lib Clerk (Ctrl Div)	MLC 1-6	\$ -	2080	\$ -	1
Tech Lib Clerk (Ctrl Div)	MLC 1-5	\$ -	2080	\$ -	1
Receipt Ctrl Clerk (Ctrl Div)	MLC 1-5	\$ -	2080	\$ -	1
Receipt Ctrl Clerk (Ctrl Div)	MLC 1-4	\$ -	6240	\$ -	3
Traffic Br. Supv (Phys Dis)	MLC 1-7	\$ -	2080	\$ -	1
Traffic Manager (Phys Dis)	MLC 1-6	\$ -	2080	\$ -	1
Admin Specialist (Phys Dis)	MLC 1-4	\$ -	2080	\$ -	1
Trans Specialist (Phys Dis)	MLC 1-5	\$ -	2080	\$ -	1
Receiving Section (Phys Dis)	MLC 1-5	\$ -	6240	\$ -	3
Shipping Section Supv (Phys Dis)	MLC 1-5	\$ -	2080	\$ -	1
Shipping Section (Phys Dis)	MLC 1-4	\$ -	8320	\$ -	4
Delivery Section Supv (Phys Dis)	MLC 2-8	\$ -	2080	\$ -	1
Delivery Section (Phys Dis)	MLC 2-6	\$ -	8320	\$ -	4
Packng & Pres. Sect Supv (Phys Dis)	MLC 2-7	\$ -	2080	\$ -	1
Packng & Pres Section (Phys Dis)	MLC 2-5	\$ -	10400	\$ -	5
Storage Sect Supv (Phys Dis)	MLC 2-6	\$ -	2080	\$ -	1
Storage Sect (Phys Dis)	MLC 1-5	\$ -	4160	\$ -	2
PW PEB (Phys Dis)	MLC 2-6	\$ -	2080	\$ -	1
Carcass Supv (ASD)	MLC 1-5	\$ -	2080	\$ -	1
Rep Mgmt Clerk (ASD)	MLC 1-4	\$ -	2080	\$ -	1
RMS/PEB Clerk (ASD)	MLC 1-4	\$ -	2080	\$ -	1
Stores Acctng Sect (Comptroller)	MLC 1-6	\$ -	2080	\$ -	1
Sub-Total NAF Atsugi				\$ 48,075	42
FISC Yokosuka					

Stores Accntng Sect (Comptroller)	MLC 1-5	\$ -	2080	\$ -	1
Stores Accntng Sect (Comptroller)	MLC 1-4	\$ -	2080	\$ -	1
Inv. Mgmt. Specialist (Inv. Control)	MLC 1-5	\$ -	4160	\$ -	2
Sup. Sys. Analyst (Site Liaison)	MLC 1-6	\$ -	1040	\$ -	0.5
Sub-Total Yokosuka				\$ -	4.5
TOTAL PROJECTED CIVILIAN LABOR COSTS				\$ 48,075	46.5

3.3.4.2 Military Personnel: Military personnel projections are also based on the creation of a NAF Atsugi storefront, supporting Atsugi area customers with backroom support provided by FISC Yokosuka.

AUTHORIZED POSITION	PAY PLAN/ GRADE	TOTAL HOURLY RATE	TOTAL NO. OF HOURS	ANNUAL LABOR COST
NAF Atsugi				
Control Div. LPO (Ctrl Div)	E-4	\$ 12.02	2080	\$ 25,002
Reqn Expediters (Ctrl Div)	E-4	\$ 12.02	4160	\$ 50,003
Imprest Fund Cashier (Ctrl Div)	E-4	\$ 12.02	2080	\$ 25,002
BOSS Co-ord. (Ctrl Div)	E-4	\$ 12.02	2080	\$ 25,002
Matl Div Officer (Phys Dis)	E-7	\$ 18.13	2080	\$ 37,710
Traffic Mgmt Ctrl Off. (Phys Dis)	E-7	\$ 18.13	2080	\$ 37,700
Storage Br. LPO (Phys Dis)	E-6	\$ 16.37	2080	\$ 34,050
Storage Storekpr (Phys Dis)	E-5	\$ 14.62	4160	\$ 60,798
Salvage Yd. Storekpr (Phys Dis)	E-5	\$ 14.62	2080	\$ 30,410
ASD LCPO (ASD)	E-7	\$ 18.13	2080	\$ 37,710
ASD LPO (ASD)	E-6	\$ 16.37	2080	\$ 34,050
Database Admin (ASD)	E-6	\$ 16.37	2080	\$ 34,050
Aviation Storekeepers (ASD)	E-6	\$ 16.37	6240	\$ 102,149
Aviation Storekeepers (ASD)	E-5	\$ 14.62	18720	\$ 273,686
Aviation Storekeepers (ASD)	E-4	\$ 12.02	12480	\$ 150,010
Sub-Total NAF Atsugi				\$ 957,330
FISC Yokosuka				
None	N/A	\$ -		\$ -
Sub-Total FISC Yokosuka				\$ -

TOTAL PROJECTED MILITARY LABOR COSTS			\$ 957,330
--------------------------------------	--	--	------------

3.3.4.3 Materials/Supplies: The cost of material/supplies to support stock material at NAF Atsugi is estimated to remain unchanged at \$115,000.

3.3.4.4 ADP: In the proposed scenario, ADP processing will consist solely of U2 system processing. Maintenance costs for DOSS system will be eliminated. IPC Yokosuka's FY 97 CPU processing cost estimate for NAF Atsugi is \$132,000.

3.3.4.5 Travel/Training: Upon converting Atsugi from a stand-alone DOSS site to a U2 partner, site interface will be the responsibility of FISC Yokosuka and its designated Site Liaison Office. Travel and training costs are estimated at \$150 quarterly.

3.3.5 Total Projected Costs:

COST CATEGORY	ANNUAL COST	
	Dollars	Billets
Civilian Personnel	\$ 48,075	46.5
Military Personnel	\$ 957,330	
Material/Supplies	\$ 115,000	
Travel/Training	\$ 600	
ADP	\$ 132,000	
TOTAL PROJECTED COSTS	\$1,253,005	46.5

3.4 Implementation Strategy:

3.4.1 Site Preparation: NAF Atsugi will initiate and fund the installation of the required telecommunication lines. FISC Yokosuka will initiate the installation of required ADP equipment. NAF Atsugi will be responsible for the maintenance/replacement of ADP equipment (printers and terminals). NAF Atsugi will be responsible for preparing the buildings with adequate electrical power. FISC Yokosuka will assist NAF Atsugi with warehouse configuration.

3.4.2 Atsugi Stock Close-Out: A wall-to-wall inventory of NAF Atsugi's stock material will be conducted and physical inventory records will be reconciled to financial ledgers prior to conversion by FISC Yokosuka and

NAF Atsugi personnel. Material which will not be positioned at the UADPS-2 site will be turned in to FISC Yokosuka through normal material turned in to stock (MTIS) procedures. Material to remain at the UADPS-2 site will be transferred from DOSS records to FISC Yokosuka's Master Stock Item Record (MSIR)/SAC 200 accounts. NAF Atsugi will provide necessary documentation to FISC Yokosuka to support allowance-based items.

3.4.3 Training: Initial UADPS-2 and warehousing training will be provided by FISC Yokosuka. Follow-on training for new employees will be the responsibility of NAF Atsugi.

3.4.4 Liaison: FISC Yokosuka and NAF Atsugi will appoint liaison officers to coordinate system and procedural changes, assist in the collection of management information and performance data, and perform quality control checks.

3.4.5 One-Time Implementation Costs: Conversion Costs are estimated as follows:

3.4.5.1 Civilian Personnel: Costs for site preparation (training and inventory relocation) are estimated at \$ 10,000.

3.4.5.2 ADP Equipment: The following ADP equipment is required to establish a U-2 partner site at NAF Atsugi:

486 PC / Workstation	17	\$ 2,500 ea.	\$ 42,500
MMD Printer	2	\$ 2,000 ea.	\$ 4,000
Laser Printer	5	\$ 2,000 ea.	\$ 10,000
Bar Code Scanner	4	\$ 1,191 ea.	\$ 4,764
SCORPION	5	\$ 3,100 ea.	\$ 15,500
		Total Cost:	\$ 76,764

3.4.5.3 ADP Conversion: Labor costs for installation of ADP circuits and hardware, as well as labor for IPC systems applications programming and conversion are estimated to be \$43,887.

3.4.5.4 Facilities-related: No facilities related expenses are anticipated.

3.4.5.5 Total Conversion Costs:

CATEGORY	COSTS
Personnel	\$ 10,000

ADP Equipment	\$76,794
ADP Conversion	\$ 43,887
Facilities-related	\$ -
Total Conversion Costs	\$129,681

3.4.6 Financing: Funding for implementation costs remains to be determined. It is recommended that all funds recovered from the early termination of DOSS support be applied towards conversion costs.

3.4.7 Benefits: Anticipated benefits include the following:

a. Reduction in Average Customer Wait Time (ACWT) for those line items which are stocked at NAF Atsugi. Requisitions for Atsugi area customers will more frequently be filled from stocks located in Atsugi, rather than Yokosuka.

b. Improved asset visibility and utilization of stock fund dollars. All material positioned at NAF Atsugi will be on FISC Yokosuka MSIR records. After the UADPS-2 NAS requirements release, W and L purpose code material may also be brought under the UADPS-2 umbrella. A substantial amount of material will be positioned closer to the customer point of consumption.

c. Reduction in end-use inventory levels.

d. Elimination of the UADPS DOSS legacy system through conversion to UADPS-2.

e. Avoids the need to establish a UADPS-Level II system at NAF Atsugi. Previously conducted analyses have put the cost of such a stand alone system at approximately \$466,000.

f. A portion of FISC stock, reflecting Atsugi's proportional share of regional demands, will migrate to NAF Atsugi from Yokosuka. This migration will ease the warehouse overcrowding that FISC Yokosuka is currently experiencing.

3.5 Comparison of Status Quo Vs. FISC Proposal:

COST CATEGORY	BASELINE COSTS	PROPOSED COSTS	SAVINGS
---------------	----------------	----------------	---------

Civilian Personnel	\$ -	\$ 48,075	\$ (48,075)
Civilian Personnel (MLC)	48	46.5	1.5
Military Personnel	\$ 957,330	\$ 957,330	\$ -
Material/Supplies	\$ 115,000	\$ 115,000	\$ -
ADP	\$ 181,971	\$ 132,000	\$ 49,971
Travel/Training	\$ -	\$ 600	\$ (600)
TOTAL ANNUAL COSTS	\$1,254,301	\$ 1,253,005	\$ 1,296

4. RECOMMENDATION: Convert from managing end-use stocks under DOSS at NAF Atsugi to a U2 partner site with FISC Yokosuka at the earliest opportunity.



DEPARTMENT OF THE NAVY
COMMANDER FLEET AIR WESTERN PACIFIC
PSC 477 BOX 3
FPO AP 96306-2703

4440
Ser N41/250
28 AUG 96

From: Commander Fleet Air, Western Pacific, Atsugi, Japan
To: Commander, Naval Air Force, U.S. Pacific Fleet,
San Diego, CA (Code N4154)

Subj: BUSINESS CASE ANALYSIS FOR MANAGEMENT OF RETAIL
INVENTORIES AT NAVAL AIR FACILITY, ATSUGI.

Encl: (1) NAF Atsugi ltr Ser 40/001528 of 02 August 1996

1. Forwarded, recommending approval.

2. Enclosure (1) is a Business Case Analysis (BCA) documenting potential costs, savings, and expected work process improvements associated with a partnership between NAF Atsugi and FISC Yokosuka. The BCA represents six months of negotiation between the parties; the most important aspects of this agreement are detailed as follows:

a. NAF Atsugi retail inventories will be centrally managed by FISC Yokosuka using the UADPS-U2 system, eliminating use of the Disk Oriented Supply System (DOSS). Resultant savings in ADP processing time and expense will accrue, as well as improved asset visibility and material positioning.

b. The BCA assumes the "Air Station Requirements" module to UADPS-U2 will be operational prior to transition; FISC Yokosuka is scheduled for implementation February, 1997. If not, NAF Atsugi will operate under UADPS-U2 "switch off" for repairables.

c. The transition date must occur before the FISC migration to IBM hardware (August 1997). This event will eliminate the existing Burroughs host for distributed DOSS processing, and a DOSS/IBM interface is not planned or desired.


d. If either of the above implementation controlling events (par. b or c) are delayed or altered, the BCA and current transition plan will require commensurate adjustment.

e. The implementation of "Air Station Requirements" at FISC Yokosuka and UADPS-U2 at NAF Atsugi will be supported by on-site FMSO personnel in February/March 1997, as discussed previously.

f. There is no agreement among parties regarding the Information Processing Center (IPC) charges contained in the BCA. The forecasted billings do not reflect, and are not tied to, any volume of business (line item, transaction, etc.) or other reasonable workload measurement. NAF Atsugi's processing represents approximately 6 percent of FISC's business, while the forecasted charges reflect a disproportionate percentage of the total processing bill. (This element of the BCA is referred to COMNAVAIARPAC for resolution with NAVSUP.)

g. The BCA contains a requirement for an increase of one FTE GS position to be established at Atsugi (will serve as the Repairable Systems Analyst for both NAF Atsugi and NAF Misawa). This billet is expected to eventually transition to a Military Labor Contract (MLC) position, but currently there is no Application R expertise at FISC or either NAF. All parties agree that resident analyst proficiency will be required.

3. Enclosure (1) is the first of two essentially identical BCA's in process (NAF Misawa will be forwarded via separate correspondence). It is strongly supported and endorsed by all parties, and represents the blueprint for future aviation material and inventory management support to forward deployed Naval units. It aligns business procedures with those used in CONUS and establishes visibility of WESTPAC aviation assets via a single, integrated host.


M. P. SCHOEDLER
By direction

Copy to: FISC Yokosuka



DEPARTMENT OF THE NAVY

U.S. NAVAL AIR FACILITY
ATSUGI, JAPAN
FPO AP 96306-1209

4440

Ser 40/

001528

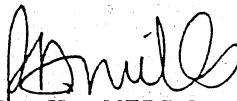
02 AUG 1996

From: Commanding Officer, Naval Air Facility, Atsugi, Japan
To: Commander Fleet Air, Western Pacific, Atsugi, Japan

Subj: BUSINESS CASE ANALYSIS FOR MANAGEMENT OF RETAIL INVENTORY
AT NAVAL AIR FACILITY ATSUGI

Encl: (1) Proposed Business Case Analysis

1. Enclosure (1) is forwarded recommending approval with the understanding that automated data processing cost sharing responsibilities are to be determined at a later date.


P. H. MILLS

BUSINESS CASE ANALYSIS
FOR MANAGEMENT OF RETAIL INVENTORY
AT NAVAL AIR FACILITY ATSUGI

1. INTRODUCTION

1.1 Purpose: This report is a business case analysis (BCA) of a proposal to establish a partnership between the Naval Air Facility Atsugi (NAF Atsugi) and the U. S. Fleet and Industrial Supply Center Yokosuka (FISC Yokosuka) for management of retail inventory.

1.2 Background: Many studies and efforts have taken place throughout the Navy to identify methods for improving the efficiency of operations - maintaining or increasing quality, while decreasing costs. Supply support was identified as an area in which a tremendous amount of effort and inventory were being duplicated by various commands. Changes in the logistics infrastructure, through the evolving role of FISCs as the provider for consumer level inventory management have been identified as a means to improve performance. The tool identified to achieve the above goal is the Uniform Automated Data Processing System Version 2 (UADPS-2).

The mission of the U. S. Fleet and Industrial Supply Center, Yokosuka, Japan (FISC Yokosuka) is to provide supplies and services to forces forward deployed or permanently stationed in the Western Pacific. FISC Yokosuka manages and stocks a wide range of material using UADPS-2 supply management programs.

The Supply Department of Naval Air Facility Atsugi, Japan (NAF Atsugi) primarily provides logistical support to the Air Facility, LAMPS/VERTREP ships and associated aviation squadrons and detachments, and other Atsugi/Kamiseya area customers. Inventories at NAF Atsugi are resupplied by FISC Yokosuka, which is the point of entry for NAF Atsugi requisitions. Inventory management in Atsugi is performed under the UADPS-SP Disk Oriented Supply System (DOSS), which does not provide real-time, automated, database management or inventory visibility at the FISC, or regional level.

1.3 Concept of Operations: Under the proposed partnership, a UADPS-2 site would be established at NAF Atsugi; replacing the stocks currently held by NAF Atsugi, as well as the eliminating the current DOSS system. Stock material would be owned and managed by FISC Yokosuka, while all storage and warehousing functions would be performed by

NAF Atsugi in accordance with an MOU to be developed for implementing this partnership. Inventories held at Atsugi would comprise one site within FISC's regional system.

1.4 **Scope:** This proposal specifically addresses the management and storage of retail inventories held at NAF Atsugi, and specifically excludes fuel, and HAZMIN operations.

1.5 **Objective:** The objective of this BCA is to quantify the expected efficiencies and economies to be achieved through the regional management of retail stock.

1.6 **Assumptions and Constraints:** Results of this BCA are based on the following assumptions and constraints:

- a. Inventory to be positioned at NAF Atsugi will be based on Fixed allowances, NSOs, and demands from customers in the Atsugi area.
- b. UADPS-2 will be the inventory management system utilized by FISC Yokosuka and partner sites.
- c. The U2 NAS Requirements release will be implemented prior to establishing the partnership. This release is required to allow U2 management of NAF W and L purpose repairable assets.
- d. Specific commodities of material (e.g., classified, medical, gases and cylinders, hazardous, etc.) may be excluded from site positioning.

2. FUNCTIONAL REQUIREMENTS

2.1 Overview

2.1.1 **Current Operations:** NAF Atsugi currently maintains end use stock to support maintenance and aviation requirements from LAMPS/VERTREP ship squadrons and detachments, AIMD, and other NAF tenant commands. All stock records are maintained by NAF Atsugi, and FISC has no visibility of inventory under current operations. As of April 1996, approximately 25,969 line items valued at \$ 76.9 million dollars are carried, either at NAF Atsugi or located in L purpose inventories aboard supported ships. Approximately 84% of these line items are common to FISC Yokosuka's inventory.

NAF Atsugi currently operates under the UADPS-SP Disk Oriented Supply System (DOSS) program for inventory management. NAF Atsugi requirements which cannot be filled are forwarded to FISC Yokosuka. Issues made by FISC Yokosuka are delivered to NAF Atsugi via commercial and military trucking.

2.1.2 Workload Data: (monthly avg.)

	Reqs	Issues	Receipts
NAF Atsugi	2917	1098	1591

	NAF Atsugi
Reqs rcvd by FISC	1819
FISC Issues	830

2.1.3 Performance Data:

Issues - At NAF Atsugi, all items are issued in accordance with the following:

Priority	Issue
01-09	Same day
10-15	Next day

Receipts - All items received and stowed within 2 days

2.2 Requirements:

2.2.1 NAF Atsugi: NAF Atsugi desires to increase the range and depth of stock carried, to allow better support and reduced Average Customer Wait Time (ACWT) for NAF customers such as AIMD. Improved asset availability and inventory management are additional benefits NAF Atsugi is seeking through a partnership with FISC Yokosuka.

2.2.2 FISC Yokosuka: A partnership with NAF Atsugi must provide asset visibility, be cost effective, and provide the same or better level of service to the customer.

3. FUNCTIONAL ANALYSIS

3.1 BCA Methodology: Data for this study were collected by teams of NAF Atsugi and FISC Yokosuka personnel. On-site visits were conducted to observe/discuss current business practices and processes and to review existing records/reports. The "to be" proposal was developed from the analysis of the data collected. Costs for both the "as is" and the "to be" operations were based on information provided by NAF Atsugi and FISC Yokosuka personnel.

3.2 Baseline Cost Analysis:

3.2.1 Baseline Costs:

3.2.1.1 Civilian Personnel: Civilian personnel costs were calculated based on authorized positions (in the impacted areas) at representative pay rates. Personnel employed under the Master Labor Contract (MLC) are listed in terms of numbers of billets, as their salaries are paid by the Government of Japan.

AUTHORIZED POSITION	PAY PLAN/ GRADE	TOTAL HOURLY RATE	TOTAL NO. OF HOURS	ANNUAL LABOR COST (\$\$)	ANNUAL LABOR COST (BILLETS)
NAP Atsugi					
Control Div. Supervisor (Ctrl Div)	MLC 1-7	\$ -	2080	\$ -	1
Data Control Clerk (Ctrl Div)	MLC 1-4	\$ -	2080	\$ -	1
Cust. Svc Clerk (Ctrl Div)	MLC 1-5	\$ -	2080	\$ -	1
Cust. Svc Clerk (Ctrl Div)	MLC 1-4	\$ -	4160	\$ -	2
Stock Control Clerk (Ctrl Div)	MLC 1-6	\$ -	2080	\$ -	1
Stock Control Clerk (Ctrl Div)	MLC 1-5	\$ -	6240	\$ -	3
Tech Lib Clerk (Ctrl Div)	MLC 1-6	\$ -	2080	\$ -	1
Tech Lib Clerk (Ctrl Div)	MLC 1-5	\$ -	2080	\$ -	1
Receipt Ctrl Clerk (Ctrl Div)	MLC 1-5	\$ -	2080	\$ -	1
Receipt Ctrl Clerk (Ctrl Div)	MLC 1-4	\$ -	6240	\$ -	3
Traffic Br. Supv (Phys Dis)	MLC 1-7	\$ -	2080	\$ -	1
Traffic Manager (Phys Dis)	MLC 1-6	\$ -	2080	\$ -	1
Admin Specialist (Phys Dis)	MLC 1-4	\$ -	2080	\$ -	1
Trans Specialist (Phys Dis)	MLC 1-5	\$ -	2080	\$ -	1
Receiving Section (Phys Dis)	MLC 1-5	\$ -	6240	\$ -	3
Shipping Section Supv (Phys Dis)	MLC 1-5	\$ -	2080	\$ -	1
Shipping Section (Phys Dis)	MLC 1-4	\$ -	8320	\$ -	4
Delivery Section Supv (Phys Dis)	MLC 2-8	\$ -	2080	\$ -	1
Delivery Section (Phys Dis)	MLC 2-6	\$ -	8320	\$ -	4
Packng & Pres. Sect Supv (Phys Dis)	MLC 2-7	\$ -	2080	\$ -	1
Packng & Pres Section (Phys Dis)	MLC 2-5	\$ -	10400	\$ -	5
Storage Sect Supv (Phys Dis)	MLC 2-6	\$ -	2080	\$ -	1
Storage Sect (Phys Dis)	MLC 1-5	\$ -	4160	\$ -	2
PW PEB (Phys Dis)	MLC 2-6	\$ -	2080	\$ -	1
Carcass Supv (ASD)	MLC 1-5	\$ -	2080	\$ -	1
Rep Mgmt Clerk (ASD)	MLC 1-4	\$ -	2080	\$ -	1

RMS/PEB Clerk (ASD)	MLC 1-4	\$ -	2080	\$ -	1
Stores Accounting Sect (Comptroller)	MLC 1-6	\$ -	2080	\$ -	1
Stores Accounting Sect (Comptroller)	MLC 1-5	\$ -	2080	\$ -	1
Stores Accounting Sect (Comptroller)	MLC 1-4	\$ -	2080	\$ -	1
Sub-Total NAF Atsugi				\$ -	48
FISC Yokosuka					
None	N/A	\$ -	0	\$ -	0
Sub-Total FISC Yokosuka				\$ -	0
TOTAL BASELINE CIVILIAN LABOR COSTS				\$ -	48

3.2.1.2 Military Personnel: Military labor costs were calculated using current billet assignments (to the impacted areas) and composite standard military rates.

AUTHORIZED POSITION	PAY PLAN/ GRADE	TOTAL HOURLY RATE	TOTAL NO. OF HOURS	ANNUAL LABOR COST
NAF Atsugi				
Control Div. LPO (Ctrl Div)	E-4	\$ 12.02	2080	\$ 25,002
Reqn Expeditors (Ctrl Div)	E-4	\$ 12.02	4160	\$ 50,003
Imprest Fund Cashier (Ctrl Div)	E-4	\$ 12.02	2080	\$ 25,002
BOSS Co-ord. (Ctrl Div)	E-4	\$ 12.02	2080	\$ 25,002
Matl Div Officer (Phys Dis)	E-7	\$ 18.13	2080	\$ 37,710
Traffic Mgmt Ctrl Off. (Phys Dis)	E-7	\$ 18.13	2080	\$ 37,700
Storage Br. LPO (Phys Dis)	E-6	\$ 16.37	2080	\$ 34,050
Storage Storekeeper (Phys Dis)	E-5	\$ 14.62	4160	\$ 60,798
Salvage Yd. Storekeeper (Phys Dis)	E-5	\$ 14.62	2080	\$ 30,410
ASD LCPO (ASD)	E-7	\$ 18.13	2080	\$ 37,710
ASD LPO (ASD)	E-6	\$ 16.37	2080	\$ 34,050
Database Admin (ASD)	E-6	\$ 16.37	2080	\$ 34,050
Aviation Storekeepers (ASD)	E-6	\$ 16.37	6240	\$ 102,149
Aviation Storekeepers (ASD)	E-5	\$ 14.62	18720	\$ 273,686
Aviation Storekeepers (ASD)	E-4	\$ 12.02	12480	\$ 150,010
Sub-Total NAF Atsugi				\$ 957,330
FISC Yokosuka				

None	N/A	\$ -	\$ -
Sub-Total FISC Yokosuka			\$ -
TOTAL BASELINE MILITARY LABOR COSTS			\$ 957,330

3.2.1.3 Material/Supplies: The cost of materials/supplies to support NAF Atsugi stock material is estimated at \$ 115,000.

3.2.1.4 ADP: ADP support for the DOSS system is provided by the Information Processing Center, Yokosuka (IPC). NAF Atsugi funds IPC for such support on a yearly basis. The annual cost of supporting the DOSS system is \$181,971.

3.2.2 Total Baseline Costs:

COST CATEGORY	ANNUAL COST	
	Dollars	Billets
Civilian Personnel	\$ -	48
Military Personnel	\$ 957,330	
Material/Supplies	\$ 115,000	
Minor Equipment	\$ -	
ADP	\$ 181,971	
TOTAL BASELINE COSTS	\$1,254,301	48

3.3 FISC Yokosuka Proposal Cost Analysis:

3.3.1 Concept of Operations: FISC Yokosuka proposes to establish a UADPS-2 regional site at NAF Atsugi. Material currently stocked and managed by NAF Atsugi Supply Department will be incorporated into this site. W and L purpose assets will be included under the U2 umbrella with the implementation of the NAS Requirements system upgrade. NAF Atsugi will retain management of the W and L purpose inventories, collect supporting maintenance data, perform SHORCAL reviews, and ensure that the established allowances on FISC's records are identical to those authorized by NAVICP-P. Under this proposal, A purpose inventories held at NAF Atsugi will be owned and managed by FISC Yokosuka, and support the Atsugi regional customer base, including CVW-5. Positioning material at the regional site is intended to improve customer response time, minimize the impact of transportation delays, and reduce the level of end-use

material stocked by customers to accommodate order and delivery timeframes. In addition, UADPS-2 will provide FISC Yokosuka and all partners complete visibility of A condition assets stored at FISC Yokosuka and UADPS-2 partner sites.

3.3.1.1 Inventory Control: All standard inventory control functions (levels setting, site adds, range adds, management of allowance material, stock replenishment, management of due-in material, and excessing) will be performed by FISC Yokosuka personnel. UADPS-2 programs will automatically record and establish appropriate stocking levels for the NAF Atsugi site.

3.3.1.2 Storage and Warehousing: Stow, issue, and pack functions will be the responsibility of NAF Atsugi. Receipt of stock material and discrepancy reporting will also be accomplished by NAF Atsugi. Material to be stocked at the NAF Atsugi site will be forwarded by FISC Yokosuka as processed "inductions" and stowed by NAF Atsugi. NAF Atsugi will be required to maintain proof of delivery/receipt files for "A" purpose vulnerable and sensitive material (e.g. depot level repairables).

3.3.1.3. Physical Inventory: Since material positioned at NAF Atsugi will be on FISC Yokosuka accountable records, NAF Atsugi stock will be included in all FISC Yokosuka scheduled inventories. NAF Atsugi will perform all inventories within the prescribed inventory timeframes.

3.3.1.4 Customer Service: NAF Atsugi will gain on-line access to UADPS-2 for requisition processing and database inquiry. Under normal operations, exception processing will be performed by FISC Yokosuka. NAF Atsugi will have on-line access to data files, listings, and reports required to perform the complete customer service function for Atsugi customers, including the capability to process exceptions if required (such as in the case of a bearer walk-thru).

3.3.1.5 Financial Accounting: Material positioned at NAF Atsugi will be held under Special Accounting Class 200. Financial inventory accounting and reporting will be performed by FISC Yokosuka. NAF Atsugi will retain responsibility for processing receipts and expenditures for SERVMART stock (SAC 260A). Financial reconciliation functions will be the responsibility of FISC Yokosuka.

3.3.2 Projected Workload: As a UADPS-II partner site, projections of workload levels at NAF Atsugi were computed as follows:

	Reqs	Issues	Receipts
Current workload:	2917	1098	1591
Projected Workload:	2917	1928	650

3.3.3 Performance Standards:

Issues - Under the proposed concept of operations, stocking levels at NAF Atsugi will be driven by actual demands registered by the Atsugi area customers. By positioning material closer to the point of consumption, ACWT is projected to decline as follows for issues from sites within Japan:

Priority	(- - - - Current Matl from NAF	(- - - - Matl from FISC	(- - - - As-Is ACWT (Total)	(- Projected -) Matl from NAF Site	Net decline in ACWT
01-03	1 day	4.2 days	2.1 days	1 day	- 1.1 days
04-09	1 day	7.7 days	3.3 days	1 day	- 2.3 days
10-15	2 days	15.6 days	6.6 days	2 days	- 4.6 days

3.3.4 Projected Annual Costs:

3.3.4.1 Civilian Personnel: Projected civilian labor costs reflect the transfer of inventory management responsibilities for A purpose stocks to FISC Yokosuka, and the establishment of a storefront activity at NAF Atsugi. In addition to these positions, NAF Atsugi will be required to employ an individual in the role of UADPS Supply Systems Analyst on a full time basis. The purpose is to address the absence of any Supply Systems Analysis and UADPS/U2 expertise at the activity level, and additionally provide analyst services to NAF Misawa. If these duties do not become a new position, they will have to be incorporated into an existing position.

AUTHORIZED POSITION	PAY PLAN/ GRADE	TOTAL HOURLY RATE	TOTAL NO. OF HOURS	ANNUAL LABOR COST (\$\$)	ANNUAL LABOR COST (BILLETS)
NAF Atsugi					
Control Div. Supervisor (Ctrl Div)	MLC 1-7	\$ -	2080	\$ -	1
Data Control Clerk (Ctrl Div)	MLC 1-4	\$ -	2080	\$ -	1

Cust. Svc Clerk (Ctrl Div)	MLC 1-5	\$ -	2080	\$ -	1
Cust. Svc Clerk (Ctrl Div)	MLC 1-4	\$ -	4160	\$ -	2
Tech Lib Clerk (Ctrl Div)	MLC 1-6	\$ -	2080	\$ -	1
Tech Lib Clerk (Ctrl Div)	MLC 1-5	\$ -	2080	\$ -	1
Receipt Ctrl Clerk (Ctrl Div)	MLC 1-5	\$ -	2080	\$ -	1
Receipt Ctrl Clerk (Ctrl Div)	MLC 1-4	\$ -	6240	\$ -	3
Traffic Br. Supv (Phys Dis)	MLC 1-7	\$ -	2080	\$ -	1
Traffic Manager (Phys Dis)	MLC 1-6	\$ -	2080	\$ -	1
Admin Specialist (Phys Dis)	MLC 1-4	\$ -	2080	\$ -	1
Trans Specialist (Phys Dis)	MLC 1-5	\$ -	2080	\$ -	1
Receiving Section (Phys Dis)	MLC 1-5	\$ -	6240	\$ -	3
Shipping Section Supv (Phys Dis)	MLC 1-5	\$ -	2080	\$ -	1
Shipping Section (Phys Dis)	MLC 1-4	\$ -	8320	\$ -	4
Delivery Section Supv (Phys Dis)	MLC 2-8	\$ -	2080	\$ -	1
Delivery Section (Phys Dis)	MLC 2-6	\$ -	8320	\$ -	4
Packng & Pres. Sect Supv (Phys Dis)	MLC 2-7	\$ -	2080	\$ -	1
Packng & Pres Section (Phys Dis)	MLC 2-5	\$ -	10400	\$ -	5
Storage Sect Supv (Phys Dis)	MLC 2-6	\$ -	2080	\$ -	1
Storage Sect (Phys Dis)	MLC 1-5	\$ -	4160	\$ -	2
PW PEB (Phys Dis)	MLC 2-6	\$ -	2080	\$ -	1
Carcass Supv (ASD)	MLC 1-5	\$ -	2080	\$ -	1
Rep Mgmt Clerk (ASD)	MLC 1-4	\$ -	2080	\$ -	1
RMS/PEB Clerk (ASD)	MLC 1-4	\$ -	2080	\$ -	1
Stores Accounting Sect (Comptroller)	MLC 1-6	\$ -	2080	\$ -	1
Sub-Total NAF Atsugi				\$ -	42
FISC Yokosuka					
Stores Accounting Sect (Comptroller)	MLC 1-5	\$ -	2080	\$ -	1
Stores Accounting Sect (Comptroller)	MLC 1-4	\$ -	2080	\$ -	1
Inv. Mgmt. Specialist (Inv. Control)	MLC 1-5	\$ -	4160	\$ -	2
Sup. Sys. Analyst (Site Liaison)	MLC 1-6	\$ -	1040	\$ -	0.5
Sub-Total Yokosuka				\$ -	4.5
TOTAL PROJECTED CIVILIAN LABOR COSTS				\$ -	46.5

3.3.4.2 Military Personnel: Military personnel projections are also based on the creation of a NAF Atsugi storefront, supporting Atsugi area customers with backroom support provided by FISC Yokosuka.

AUTHORIZED POSITION	PAY PLAN/ GRADE	TOTAL HOURLY RATE	TOTAL NO. OF HOURS	ANNUAL LABOR COST
NAF Atsugi				
Control Div. LPO (Ctrl Div)	E-4	\$ 12.02	2080	\$ 25,002
Reqn Expeditors (Ctrl Div)	E-4	\$ 12.02	4160	\$ 50,003
Imprest Fund Cashier (Ctrl Div)	E-4	\$ 12.02	2080	\$ 25,002
BOSS Co-ord. (Ctrl Div)	E-4	\$ 12.02	2080	\$ 25,002
Matl Div Officer (Phys Dis)	E-7	\$ 18.13	2080	\$ 37,710
Traffic Mgmt Ctrl Off. (Phys Dis)	E-7	\$ 18.13	2080	\$ 37,700
Storage Br. LPO (Phys Dis)	E-6	\$ 16.37	2080	\$ 34,050
Storage Storekpr (Phys Dis)	E-5	\$ 14.62	4160	\$ 60,798
Salvage Yd. Storekpr (Phys Dis)	E-5	\$ 14.62	2080	\$ 30,410
ASD LCPO (ASD)	E-7	\$ 18.13	2080	\$ 37,710
ASD LPO (ASD)	E-6	\$ 16.37	2080	\$ 34,050
Database Admin (ASD)	E-6	\$ 16.37	2080	\$ 34,050
Aviation Storekeepers (ASD)	E-6	\$ 16.37	6240	\$ 102,149
Aviation Storekeepers (ASD)	E-5	\$ 14.62	18720	\$ 273,686
Aviation Storekeepers (ASD)	E-4	\$ 12.02	12480	\$ 150,010
Sub-Total NAF Atsugi				\$ 957,330
FISC Yokosuka				
None	N/A	\$ -		\$ -
Sub-Total FISC Yokosuka				\$ -
TOTAL PROJECTED MILITARY LABOR COSTS				\$ 957,330

3.3.4.3 Materials/Supplies: The cost of material/supplies to support stock material at NAF Atsugi is estimated to remain unchanged at \$115,000.

3.3.4.4 ADP: In the proposed scenario, ADP processing will consist solely of U2 system processing. Maintenance costs for DOSS system will be eliminated. IPC

Yokosuka's FY 97 CPU processing cost estimate for NAF Atsugi is \$132,000.

3.3.4.5 Travel/Training: Upon converting Atsugi from a stand-alone DOSS site to a U2 partner, site interface will be the responsibility of FISC Yokosuka and its designated Site Liaison Office. Travel and training costs are estimated at \$150 quarterly.

3.3.5 Total Projected Costs:

COST CATEGORY	ANNUAL COST	
	Dollars	Billets
Civilian Personnel	\$ -	46.5
Military Personnel	\$ 957,330	
Material/Supplies	\$ 115,000	
Travel/Training	\$ 150	
ADP	\$ 132,000	
TOTAL PROJECTED COSTS	\$1,204,480	46.5

3.4 Implementation Strategy:

3.4.1 Site Preparation: NAF Atsugi will initiate and fund the installation of the required telecommunication lines. FISC Yokosuka will initiate and fund the installation of required and ADP equipment. NAF Atsugi will be responsible for the maintenance/replacement of ADP equipment (printers and terminals). NAF Atsugi will be responsible for preparing the buildings with adequate electrical power. FISC Yokosuka will assist NAF Atsugi with warehouse configuration.

3.4.2 Atsugi Stock Close-Out: A wall-to-wall inventory of NAF Atsugi's stock material will be conducted and physical inventory records will be reconciled to financial ledgers prior to conversion by FISC Yokosuka and NAF Atsugi personnel. Material which will not be positioned at the UADPS-2 site will be turned in to FISC Yokosuka through normal material turned in to stock (MTIS) procedures. Material to remain at the UADPS-2 site will be transferred from DOSS records to FISC Yokosuka's Master Stock Item Record (MSIR)/SAC 200 accounts. NAF Atsugi will provide necessary documentation to FISC Yokosuka to support allowance-based items.

3.4.3 Training: Initial UADPS-2 and warehousing training will be provided by FISC Yokosuka. Follow-on training for new employees will be the responsibility of NAF Atsugi.

3.4.4 Liaison: FISC Yokosuka and NAF Atsugi will appoint liaison officers to coordinate system and procedural changes, assist in the collection of management information and performance data, and perform quality control checks.

3.4.5 One-Time Implementation Costs: Conversion Costs are estimated as follows:

3.4.5.1 Civilian Personnel: Costs for site preparation (training and inventory relocation) are estimated at \$ 10,000.

3.4.5.2 ADP Equipment: The following ADP equipment is required to establish a U-2 partner site at NAF Atsugi:

486 PC / Workstation	37	\$ 2,500 ea.	\$ 92,500
MMD Printer	2	\$ 2,000 ea.	\$ 4,000
Laser Printer	5	\$ 2,000 ea.	\$ 10,000
Bar Code Scanner	4	\$ 1,191 ea.	\$ 4,764
SCORPION	5	\$ 3,100 ea.	\$ 15,500
Total Cost:			\$126,764

3.4.5.3 ADP Conversion: Labor costs for installation of ADP circuits and hardware, as well as labor for IPC systems applications programming and conversion are estimated to be \$43,887.

3.4.5.4 Facilities-related: No facilities related expenses are anticipated.

3.4.5.5 Total Conversion Costs:

CATEGORY	COSTS
Personnel	\$ 10,000
ADP Equipment	\$126,794
ADP Conversion	\$ 43,887
Facilities-related	\$ -
Total Conversion Costs	\$179,681

3.4.6 Financing: Funding for implementation costs remains to be determined. It is recommended that all funds

recovered from the early termination of DOSS support be applied towards conversion costs.

3.4.7 Benefits: Anticipated benefits include the following:

a. Reduction in Average Customer Wait Time (ACWT) for those line items which are stocked at NAF Atsugi. Requisitions for Atsugi area customers will more frequently be filled from stocks located in Atsugi, rather than Yokosuka.

b. Improved asset visibility and utilization of stock fund dollars. All material positioned at NAF Atsugi will be on FISC Yokosuka MSIR records. After the UADPS-2 NAS requirements release, W and L purpose material may also be brought under the UADPS-2 umbrella. A substantial amount of material will be positioned closer to the customer point of consumption.

c. Reduction in end-use inventory levels.

d. Elimination of the UADPS DOSS legacy system through conversion to UADPS-2.

e. Avoids the need to establish a UADPS-Level II system at NAF Atsugi. Previously conducted analyses have put the cost of such a stand alone system at approximately \$466,000.

f. A portion of FISC stock, reflecting Atsugi's proportional share of regional demands, will migrate out to NAF Atsugi from Yokosuka. This migration will ease the warehouse overcrowding that FISC Yokosuka is currently experiencing.

3.5 Comparison of Status Quo Vs. FISC Proposal:

COST CATEGORY	BASELINE COSTS	PROPOSED COSTS	SAVINGS
Civilian Personnel	\$ -	\$ -	\$ -
Civilian Personnel (MLC)	48	46.5	1.5
Military Personnel	\$ 957,330	\$ 957,330	\$ -
Material/Supplies	\$ 115,000	\$ 115,000	\$ -
ADP	\$ 181,971	\$ 132,000	\$ 49,971
Travel/Training	\$ -	\$ 150	\$ (150)
TOTAL ANNUAL COSTS	\$1,254,301	\$ 1,204,480	\$ 49,821

4. RECOMMENDATION: Convert from managing end-use stocks under DOSS at NAF Atsugi to a U2 partner site with FISC Yokosuka at the earliest opportunity.